

Prepared by the Assistant Attorney General on behalf of the Virginia Gas and Oil Board

V I R G I N I A:

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT:	CABOT OIL & GAS CORPORATION)	VIRGINIA GAS
	A Delaware Corporation)	AND OIL BOARD
RELIEF SOUGHT:	(1) ESTABLISHMENT OF THE PROVISIONAL)	DOCKET NO.
	DRILLING UNIT DESCRIBED IN REVISED)	96-0716-0546
	EXHIBIT "B" HERETO AND SERVED BY WELL)	
	NO COGC#2 (herein "Subject Drilling)	
	Unit") PURSUANT TO § 45.1-361.20, CODE)	
	OF VIRGINIA; AND (2) POOLING OF INTERESTS)	
	IN SUBJECT DRILLING UNIT PURSUANT TO)	
	§ 45.1-361.21, CODE OF VIRGINIA, FOR)	
	THE PRODUCTION OF GAS OTHER THAN)	
	COALBED METHANE GAS FROM SUBJECT)	
	FORMATIONS (herein referred to as)	
	"Conventional Gas" or "Gas"))	
LEGAL DESCRIPTION:)	
	PROVISIONAL DRILLING UNIT SERVED BY WELL)	
	NUMBERED COGC#2 TO BE DRILLED IN THE)	
	LOCATION DEPICTED ON REVISED EXHIBIT B HERETO)	
	AMONATE QUADRANGLE,)	
	MAIDEN SPRING MAGISTERIAL DISTRICT,)	
	TAZEWELL COUNTY, VIRGINIA)	
	(The "Subject Lands" are more particularly)	
	described in Revised Exhibit "B" attached)	
	hereto and made a part hereof))	

AMENDMENT TO REPORT OF THE BOARD

FINDINGS AND ORDER

1. Hearing Date and Place: These matters came on for hearing before the Virginia Gas and Oil Board (hereinafter "Board") at 9:00 a.m. on August 20, 1996, Ratliff Hall, Southwest Virginia Education 4-H Center, Abingdon, Virginia. At the hearing the Board granted the relief sought by the Applicant and pooled the Gas interests in Subject Drilling Unit pursuant to Va. Code Ann. § 45.1-361.21 and 45.1-31.22, for the production of occluded natural gas produced from coalbeds and rock strata associated therewith (herein referred to as "Coalbed Methane Gas" or "Gas"). The Board entered its Order pertaining to the pooling of Subject Drilling Unit on November 19, 1996, filed November 22, 1996 at Deed Book 723, Page 92, in the office of the Circuit Court of Buchanan County, Virginia, VGOB Docket No. 96-0716-0546 (herein "Board Order"). This amendment to the Board Order is entered and is being recorded with the Office of the Clerk of the Circuit Court of Buchanan County, Virginia to correct certain scrivener's errors in the Board Order (herein "Amended Order").

2. Findings:

2.1 The Board heretofore entered the Board Order which contained certain scrivener's errors in Paragraph 9.2 thereof. Therefore, to correct the scrivener's errors in Paragraph 9.2, said paragraph is deleted in toto and replaced with the following language:

"9.2. Option 2 - To Receive a Cash Bonus Consideration: In lieu of participating in the development and operation of Subject Drilling Unit under Paragraph 9.1 above, any Gas owner named in Revised Exhibit D who has not reached a voluntary agreement with the Operator may elect to accept a cash bonus consideration of \$1.00 per net mineral acre owned by such person *together with an annual rental of \$1.00 per acre and a royalty of 1/8 of 8/8ths [twelve and one-half percent (12.5%)]* of the net proceeds received by the Unit Operator for the sale of the Gas produced from any well development covered by this Order multiplied by the Gas owner's percentage Interest Within Unit as set forth in Revised Exhibit D (for purposes of this Order, net proceeds shall be actual proceeds received less post-production costs incurred downstream of the wellhead, including, but not limited to, gathering, compression, treating, transportation and marketing costs, whether performed by Unit Operator or a third person) as fair, reasonable and equitable compensation to be paid to said Gas owner. The cash bonus and the first year's annual rental will become due and owing when so elected and shall be tendered, paid or escrowed within sixty (60) days of recording of this Amended Order. Thereafter, the rental payments for each subsequent year of the lease, if any, shall become due and owing on the anniversary of the date of recording of this amended Order, and once, due, shall be tendered, paid or escrowed within sixty (60) days of said anniversary date. Once the initial cash bonus and the rental payments, if any, are so paid or escrowed, said payment(s) shall be satisfaction in full for the right, interests and claims of such electing Gas owner in and to the Gas produced from Subject Formation in the Subject Lands, except, however, for the 1/8th royalties due hereunder."

2.2. The election period afforded by first sentence of Paragraph 8 of the Board's Order is amended to provide that ". . . then, such person may elect one of the options set forth in Paragraph 9 below and must give written notice of his election of the option selected under said Paragraph 9 to the designated Unit Operator at the address shown below within thirty (30) days from the date this Amendment to the Report of the Board (herein "Amended Order") is recorded in the county above named."

2.3 Paragraph 18 of the Board Order is deleted in toto and replaced with the following language:

"18. Mailing of Order and Filing of Affidavit: Applicant or its Attorney will file an affidavit with the Secretary of the Board within sixty (60) days after the date of receipt of this Amended Order stating that a true and correct copy of the

Board Order and of this Amended Order were mailed within seven (7) days from the date of receipt of this Amended Order to each person pooled by the Board Order whose address is known."

2.4 Except as specifically amended herein, the Board Order will remain in full force and effect according to its terms.


3. Conclusion: Therefore, the corrections to scrivener's errors set forth in Paragraph 2.1 above, the amendment to Paragraph 8 of the Board Order set forth in Paragraph 2.2 above, and the amendment to Paragraph 18 of the Board Order set forth in Paragraph 2.3 above are granted and IT IS SO ORDERED.

4. Effective Date: This Amended Order will be effective upon its execution.

DONE AND EXECUTED this 28th day of January, 1997, in behalf of the Virginia Gas and Oil Board.



Chairman, Benny R. Wampler

DONE AND PERFORMED this 28th day of January, 1997, by Order of the Board.


Byron Thomas Fulmer
Principal Executive to the Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA)
COUNTY OF WISE)

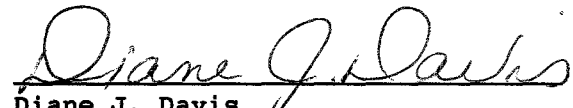
Acknowledged on this 28th day of January, 1997, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


Susan G. Garrett
Notary Public

My commission expires 7/32/98

STATE OF VIRGINIA)
COUNTY OF WASHINGTON)

Acknowledged on this 28th day of January, 1997, personally before me a notary public in and for the Commonwealth of Virginia, appeared Byron Thomas Fulmer, being duly sworn did depose and say that he is Principal Executive to the Staff of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


Diane J. Davis
Notary Public

My Commission expires 9/30/97

REVISED EXHIBIT D - Exhibit #4

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3. Henry C. Beavers Heirs
 - a. Georgia Lee Deremer
Address Unknown
 - b. Arnold Beavers Heirs
Address Unknown
 - c. Jimmy Beavers Heirs
Address Unknown
 - d. Gertrude Beavers Heirs
Address Unknown
4. James Otis Beavers Heirs
 - a. William I. Beavers Heirs
 - i. Debra Jane _____
Address Unknown
 - ii. Michael Beavers
Address Unknown
 - iii. William Beavers
Address Unknown
 - b. James R. Beavers
P.O. Box 437
Max Meadows, VA 24360

7.10-acre Tract:
(Tract 223)

7.10 acres - 6.30%

Thomas Dunford Heirs

7.10 acres - 6.30%

5. Virginia D. Allen Heirs

0.592 acres - 0.525%
(2/24 of 7.10 acres)

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- a. David Allen
37 Clay Drive
Newport News, VA 23601
0.1184 acres - 0.105%
(1/48 of 7.10 acres)
- b. Douglas Keith Allen
1458 Oakcrest Drive
Hampton, VA 23666
0.1184 acres - 0.105%
(1/48 of 7.10 acres)
- c. Gregory S. Allen
201 Troy Drive
Newport News, VA 23606
0.1184 acres - 0.105%
(1/48 of 7.10 acres)
7. Rhonda Lynn Dunford
132 17th Street SW
Hickory, N.C. 28602
0.592 acres - 0.525%
(2/24 of 7.10 acres)

2.06-acre Tract:

2.06 acres - 1.83%

8. Commonwealth of Virginia
James Osborne, Assistant Att'y Gen.
Attorney General Office
P.O. Box 1768
Bristol, VA 24203-1768
2.06 acres - 1.83%

REVISED EXHIBIT D - Exhibit #4

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Unleased Gas OwnersI. Gas & Oil Fee Ownership:24.94-acre Tract:
(Tract 220)

24.94 acres - 22.13%

Mattie Beaver Heirs

1. Thomas K. Beavers Heir
 - a. Josie Belle Roberts Heir
 - i. William W. Roberts
900 Kessler Mill Road
Salem, VA 24153
 - b. Billy Beavers Heirs
Address Unknown
2. Mae Stevenson Heirs
 - a. Beatrice S. Anderkin Heirs
 - i. Dixie Kiser Heirs
 - A. Unknown Daughter
Address Unknown
 - B. Unknown Daughter
Address Unknown
 - b. Bernard Stevenson Heirs
 - i. Thomas D. Stevenson
P.O. Box 22254
San Diego, CA 92122

INSTRUMENT #9700655
RECORDED IN THE CLERK'S OFFICE OF
TAEWELL COUNTY ON

FEBRUARY 18, 1997 AT 11:03AM

JAMES E. BLEVINS, CLERK

BY Bobby R. Miller DEPUTY CLERK